

AN ACT

ENTITLED, An Act to revise certain provisions of the South Dakota Family Farm Act.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That § 47-9A-3.1 be amended to read as follows:

47-9A-3.1. The restrictions of §§ 47-9A-1 and 47-9A-3 do not apply to the cultivation of edible fruits, vegetables or mushrooms if such cultivation occurs within a greenhouse or other enclosed or semi-enclosed structure.

Section 2. That § 47-9A-3.2 be amended to read as follows:

47-9A-3.2. The restrictions of §§ 47-9A-1 and 47-9A-3 do not apply to facilities acquired by a corporation for the purpose of feeding poultry for the production of meat or eggs.

Section 3. That § 47-9A-5 be amended to read as follows:

47-9A-5. The restrictions of §§ 47-9A-1 and 47-9A-3 do not apply to agricultural land and land capable of being used for farming which:

- (1) Was owned by a corporation as of July 1, 1974, including the normal expansion of such ownership at a rate not to exceed twenty percent, measured in acres, in any five-year period; or
- (2) Is leased by a corporation in an amount, measured in acres, not to exceed the acreage under lease to such corporation as of July 1, 1974, and the additional acreage required for normal expansion at a rate not to exceed twenty percent in any five-year period;

and the additional acreage necessary to meet the requirements of pollution control regulations.

Section 4. That § 47-9A-6 be amended to read as follows:

47-9A-6. The restrictions provided in §§ 47-9A-1 and 47-9A-3 do not apply to a bona fide encumbrance taken for purposes of security.

Section 5. That § 47-9A-7 be amended to read as follows:

47-9A-7. The restrictions of §§ 47-9A-1 and 47-9A-3 do not apply to agricultural lands acquired by a corporation by process of law in the collection of debts; or by any procedure for the enforcement of a lien or claim thereon, whether created by mortgage or otherwise. However, any land so acquired shall be disposed of within ten years after acquiring the title thereto. In addition, no land so acquired may be used for farming during the ten-year period except under a lease to a family farm unit, a family farm corporation or an authorized farm corporation. The aforementioned ten-year limitation period shall be deemed a covenant running with the title to the land against any corporate grantee or assignee or the successor of such corporation.

Section 6. That § 47-9A-8 be amended to read as follows:

47-9A-8. The restrictions of §§ 47-9A-1 and 47-9A-3 do not apply to gifts of agricultural lands, either by grant or devise, to any corporation organized under chapter 47-22.

Section 7. That § 47-9A-9 be amended to read as follows:

47-9A-9. The restrictions of §§ 47-9A-1 and 47-9A-3 do not apply to any entity that engages in farming primarily for scientific, medical, research, or experimental purposes. However, any commercial sales from such farming shall be incidental to the scientific, medical, research, or experimental objectives of the entity.

Section 8. That § 47-9A-10 be amended to read as follows:

47-9A-10. The restrictions of §§ 47-9A-1 and 47-9A-3 do not apply to agricultural land operated by a corporation for the purpose of raising breeding stock for resale to farmers or operated for the purpose of growing seed, nursery plants, or sod.

Section 9. That § 47-9A-11 be amended to read as follows:

47-9A-11. The restrictions of §§ 47-9A-1 and 47-9A-3 do not apply to agricultural lands acquired by a corporation solely for the purpose of feeding livestock.

Section 10. That § 47-9A-12 be amended to read as follows:

47-9A-12. The restrictions of §§ 47-9A-1 and 47-9A-3 do not apply to agricultural land acquired by a corporation other than a family farm corporation or authorized farm corporation for immediate or potential use in nonfarming purposes. A corporation may hold such agricultural land in such acreage or such form of ownership as may be necessary to its nonfarm business operation. However, pending the development of agricultural land for nonfarm purposes, such land may not be used for farming except under lease to a family farm unit, a family farm corporation or an authorized farm corporation, or except when controlled through ownership, options, leaseholds or other agreements by a corporation which has entered into an agreement with the United States of America pursuant to the New Community Act of 1968, (Title IV of the Housing and Urban Development Act of 1968, 42 U.S.C. 3901-3914), as amended, or a subsidiary or assign of such a corporation.

Section 11. That § 47-9A-13 be amended to read as follows:

47-9A-13. The restrictions of §§ 47-9A-1 and 47-9A-3 do not apply to a family farm corporation or an authorized farm corporation.

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I certify that the attached Act
originated in the

SENATE as Bill No. 21

Secretary of the Senate
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President of the Senate

Attest:

Secretary of the Senate

Speaker of the House

Attest:

Chief Clerk

Senate Bill No. 21

File No. _____

Chapter No. _____

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Received at this Executive Office
this _____ day of _____ ,

20____ at _____ M.

By _____
for the Governor
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The attached Act is hereby
approved this _____ day of
_____, A.D., 20____

Governor

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STATE OF SOUTH DAKOTA,
ss.
Office of the Secretary of State

Filed _____, 20____
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State